

Town of Darien Proposed Water District No. 6

Frequently Asked Questions (FAQ)

1. Why is this opportunity important?

Answer: At the request of residents, the town has been working on how to get affordable public water to areas of the town not currently served for over ten years. Many concepts have been investigated but the hilly terrain in the town requires addition water tanks to supply the required water pressure in the system. Water tanks and their corresponding pump stations are expensive and drive up the cost of small districts. The proposed district takes advantage of the economy of scale to lower the average cost to the residents served. Finding funding for this large project is extremely difficult and the town has captured this opportunity with the USDA Rural Development to provide a grant and low interest long term loan (bonds) to fund construction of the project.

2. What is the USDA?

Answer: United States Department of Agriculture (USDA)

3. Who pays for this project?

Answer: The property owners who receive the benefit pays for the cost of the service including construction. All property owners pay their share of the construction cost through a debt service charge on their county tax bill. Water usage is paid quarterly to the town's water provider, Monroe County Water Authority (MCWA).

4. Can this project be stopped?

Answer: Yes, the project opportunity has been developed at the request of the residents. If the majority or the property owners or residents are opposed to this project it will not proceed. The Town Board has developed this opportunity for the benefits of the residents. The Town Board needs to know if the majority in this proposed district is in favor of proceeding.

It should be noted that other towns are proceeding with public water development with the towns of Batavia and Oakfield almost fully served and other towns progressing in plans to serve their whole town. The town of Elba is proceeding with the same approach as Darien and has a similar application in with USDA Rural Development. It is likely that a high percentage of the county will have the availability of public water in the next seven years.

5. What would this cost me?

Answer: The cost to a typical home owner will be \$1,275 per year after the first year which includes debt service and water usage. The first year would also include the onetime homeowner connection cost that varies with the distance the house is located from the street and interior plumbing connections but is in the range of \$2,000.

6. If this project was approved and received funding when would public water be available at my house?

Answer: This is a large project and it would take an estimated three to four years to complete. Some residents may see water in the first year construction starts while others will have to wait for the construction to get to them.

7. My property is a vacant lot, am I still required to pay \$1,275 per year?

Answer: No, The \$1,275 per year is a one unit cost which is for a single residence that includes debt service and water usage. The cost for a vacant lot would be about \$96 per year if the lot can be developed. If the lot can not be developed or can not connect to public (see #11 below) would be charged about \$10 per year.

8. If the district is formed, can my property be excluded?

Answer: No, the proposed water district includes all property not in an existing town water district.

9. Will I be required to connect to the public water?

Answer: No, you are not required to connect to the public water but because your property is within the district you would still be required to pay your share of the debt service.

10. My land is land locked; do I still have to pay for the debt service on my tax bill?

Answer: Since your land provides no access to the waterlines you will not be able to connect to the water and will not be charged for water usage. However since the property is in the Water District you will be charged for debt service but at a significantly reduced rate.

11. How does the Genesee County SMART Growth Plan effect my water connection?

Answer: The Genesee County SMART Growth Plan is designed to steer development into designated SMART Growth areas. **The Plan allows water connections to all existing residences or property owners with issued building permits at the time the Water District is formed.** Residences that are constructed after the district is formed and outside of the SMART Growth areas must apply to Genesee County for permission to connect to the public water system. Most of the properties in this water district are outside the SMART Growth Areas. Connections are not automatically approved by the County and a property being in an Agriculture District is a consideration that has caused one application in Darien to be denied. However, agriculture connections for farms inside an Agriculture District are automatically permitted. Water connections inside a SMART Growth area are automatically approved.

12. When will USDA Rural Development fund this project?

Answer: Our application has been accepted by the state office of USDA and has been forwarded to the national office for funding. They are currently reviewing applications submitted from all over the country for the current fall funding cycle. If our application is not funded now, it will remain active for future funding opportunities.

13. Can the New York State Comptroller Office reject this Water District?

Answer: Yes, the Town is required to get approval from the NYS Office of the State Comptroller (OSC) to proceed with a Water District. The annual cost of this water district exceeds the annual resident's yearly cost limit guideline established by OSC. The town will be required to obtain an exception for this water district to proceed. **To obtain this exemption we will need evidence of the property owners and residents approval.**

14. Can I keep my well?

Answer: Yes, but the well plumbing must be separated from the resident's public water supply. An inspection will be required at homeowner expense to verify the well water cannot infiltrate the public water system. This inspection may be required yearly.

15. Will my property assessment go up because I now have public water?

Answer: No not directly. Residential assessment is based on market value as established by area property sales. The Assessor looks at many sales to create residential sales trends, these trends do not reflect any variance based on public water. It is widely believed that properties with public water are more attractive to buyers, but it is not clearly indicated that public water increases sale price.

16. How is the Water District Formed?

Answer: There are two methods.

Method 1

The Town Board makes a motion to form the Water District subject to permissive referendum. If a petition opposing the water district is submitted within a specified period per state law, a vote is held. If greater than 50% of the people vote yes, the District is formed. If greater than 50% of the people vote no, the District is not formed.

Method 2

Property owners of the proposed District submit a legal petition to the Town Board. If the legal petition includes:

- a. signatures of all **property owners** owning in aggregate greater than 50% of the assessed valuation of all of the taxable real property in the proposed District
- AND**
- b. signatures of all **resident owners** owning in aggregate greater than 50% of the assessed valuation of all the taxable real property of the proposed District owned by residents

Then the District is formed.

17. Which Method will the Town Board use?

Answer: It has not been decided at this time but if the funding is received with time limits the Town Board may proceed with the Permissive Referendum method because it is a faster method.

18. I want public water, how can I help?

Answer: The town may need some unpaid volunteers to carry petitions to get residents signature on water petitions. Please give your name to the town clerk if you would like to help. New York State law prohibits Town Board members from carrying water petitions.

19. I have a multifamily building, what will the cost be?

Answer: The cost is scaled in referenced to a single family residence.

20. How is business cost determined?

Answer: A business cost is scaled to a single family residence. Water usage is a major determination in the business cost.

21. Will my annual cost change?

Answer: The debt service cost will not increase and could go down if more water users are added to the system after the Water District is formed. The water usage charge could increase or decrease since that water rate is determined by the cost to produce the water. Over the past years water rates have experienced little changes.

22. What is a grant?

Answer: A grant is a gift to the Water District and is not required to be paid back.

23. What grant and loan have been requested in the Town's application to USDA?

Answer: The Town of Darien requested a grant of \$6.8M and a loan of \$18.08M for a total project cost of \$24.88M.

24. If the Town was able to secure additional grants would it lower the cost?

Answer: Yes, however only smaller grants are possible from other agencies.

25. What are the loan terms?

Answer: Assuming no additional grants, the loan would be an \$18.08M dollar over 38 years funded by bonds. The interest rate is currently running under 3%.

26. If my property is already in an existing Water District, will my taxes be affected?

Answer: This is a Special District cost for Water District No. 6. You are not a member of Water District No. 6 and therefore are not charged for its construction. Your water district tax if any would not be increased unless it is determined you receive a benefit from the new water towers.